

UTAH INCOME TAX RETURN DATA FOR 2004

DISCLOSURE RULES

When only a few returns are available for a given group, the tax commission limits disclosure. If fewer than ten returns are available the only data reported is the total dollar amount and that amount is rounded up to avoid disclosure. The rounding rule is in the table below. If there are fewer than 100 returns but ten or more, the actual total, the median and mean are reported. For more than 100 returns more data is reported.

IF THE TOTAL IS LESS THAN OR EQUAL TO	THE TOTAL IS ROUNDED UP TO THE NEAREST
\$10,000	\$500
\$50,000	\$2,500
\$100,000	\$5,000
\$500,000	\$25,000
\$1,000,000	\$50,000
>\$1,000,000	\$100,000

This publication is a description of data from the 2005 Utah state income tax returns. An income tax file is always dynamic, with late returns, amended returns, and audits changing the data. This means that in small ways the results depend on when the data to be analyzed is captured. This report analyzes the 2005 return data as of early March of 2007. It is mainly a resource for answering many varied data questions.

RESIDENCY ISSUES

State income tax returns include both full-year residents and non-residents. Non-residents includes those who moved in or out during the year, and as those who never lived here but still have income from the state. We have presented broad summary data for non-residents, since detailed data is difficult or meaningless to interpret.

STATISTICAL MEASURES

The general strategy has been to report statistical points for the most important lines on the state form, with different tables according to residency and filing status (Married, Single, etc), of the taxpayer. When not using an income breakdown, we have reported percentage deciles, as well as the mean, and the median. **For many lines on the form, most taxpayers will either have a zero**

or no entry. Thus, our calculations will include only those with a meaningful entry. For example, the data for the retirement exemption will only cover those who had a non-zero amount. For the adjusted gross income line and exemption line zero entries are included, being valid amounts. Table 5, rather than using an arbitrary income division which gets outdated over many years, uses income deciles relevant to the group being examined. “Lower income” and “Upper income” shows the income range.

A brief review of statistical terms for those not using them every day follows:

Mean is the total dollar amount divided by the number of returns claiming a value.

Median is the middle value.

Decile divides the values into tenths. For example the bottom decile reports the value dividing the bottom 10 percent from the top 90 percent, or the sixth decile divides the bottom 60 percent from the top 40 percent.

These issues will become clearer as we examine specific tables.

THE TABLES.

The State Table BY AGI (Adjusted Gross Income) reports for all full-year residents using traditional but arbitrary income brackets. It reports the number of returns, the amount of adjusted gross income, state income taxes, an effective tax rate and number of exemptions. The table labeled “calendar year” is for the 2005 returns only.

Table 1 reports, for various residency and filing status groupings, the number of all returns filed and the deciles for adjusted gross income. It also reports the 5 percent and 95 percentage point breaks. These decile groupings are those used to define income groups on table 5.

Table 2 reports for each of the major lines, where data is available, various statistical measures for all taxpayers.

Table 3 is similar to table two, but broken down by residency. (*Some lines may seem to be missing where there are narrower breakdowns, this is to prevent disclosure problems*)

Table 4 is similar to table two, but it only includes full-year-residents and with a filing status breakdown.

Table 5 reports by filing status for full-year-residents using an income breakdown based on adjusted gross income deciles. Not all tax form lines are reported to avoid disclosure problems and some values have been omitted for the same reason. To be reported a line has to have been used by more than 10,000 taxpayers and data within a line for a filing status that represents less than 10 taxpayers has been deleted.

There has been some interest in the past in the number of taxpayers and amount of income taxed at the highest rate, 7%. [Table 6](#) responds to this interest, but includes only those with a positive tax liability who are full year residents. It reports for all taxpayers as well as by filing status. Those who are in all brackets except the top are labeled lower bracket and the remainder is the top bracket. All percentages are relative to the total for all groups and all brackets. We will use the top bracket, married-joint case (line 9) to explain the table. There are 358,358 taxpayers in this group and they are 48.7 percent of all taxpayers included in the table. They had \$23,916 million in taxable income, which was 76.1% of all taxable income. Of that income, \$3,091 million was taxed at less than the top rate, which comprised 9.8% of all taxable income. The rest of their income, \$20,825 million was taxed at the top rate and that income was 66.3% of all taxable income. Looking at the third line, 84.5% of all returns were in the top bracket and they had 98.7% of taxable income; 84.7% of all taxable income was taxed at the top rate.

[Table 7: County data](#) details tax liability data by county and by whether it was reported by a full year resident or a part-year or non-resident. The out of state data is from taxpayers whose mailing address was not in Utah. The “other Utah” is from those who used an invalid Zip code but where the first two digits indicate Utah, i.e. 84???.

[FIDUCIARY RETURNS](#) Table 8

In addition to individuals, trusts pay income taxes in Utah. Table 9 shows the taxes paid by fiduciaries according to the size of the taxes paid.